

Response to the FSB Consultative Document on “Guidance on Continuity of Access to Financial Market Infrastructures (“FMIs”) for a Firm in Resolution”

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Berlin, 8 February 2017

The **German Banking Industry Committee** is the joint committee operated by the central associations of the German banking industry. These associations are the Bundesverband der Deutschen Volksbanken und Raiffeisenbanken (BVR), for the cooperative banks, the Bundesverband deutscher Banken (BdB), for the private commercial banks, the Bundesverband Öffentlicher Banken Deutschlands (VÖB), for the public-sector banks, the Deutscher Sparkassen- und Giroverband (DSGV), for the savings banks finance group, and the Verband deutscher Pfandbriefbanken (vdp), for the Pfandbrief banks. Collectively, they represent more than 1,700 banks.

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Response to the FSB Consultation Paper Guidance on Continuity of Access to FMIs

Question 7. Do you agree with the proposal in section 2 of the consultative document that firms should be required to develop contingency plans to facilitate continuity of access in both the lead-up to, and upon entry into, resolution? Does the consultative document address all aspects of the information and analysis that may be required for such contingency plans?

Section 2.2 calls for an “up-to-date-mapping” of the “critical FMI services” provided to the legal entities, business activities and critical functions. Against the background of the objective, when maintaining access to FMIs during resolution – namely ensuring the continuation of critical functions – the mapping of the critical FMI services should remain restricted to the legal entities and critical functions essential to the terms of reference of resolution planning. A mapping to business activities is in our opinion not necessary.

The institutions are required furthermore to identify those firms/institutions for which they act as an FMI intermediary. In our opinion, this analysis should not be conducted by the providing institutions/providers, but rather by the receivers of these services, since only these are in a position to tell whether a “critical FMI service” is involved.

The institutions must, moreover, provide information on the competent supervisory/regulatory authorities for the provider of the “critical FMI services” availed by the institution. In our view, this requirement can be complied with significantly more easily and more efficiently by the provider itself. The relevant supervisory/regulatory authorities are in part unknown to the institutions and they must be identified, which can be cumbersome. The resolution authorities should discuss this with providing institutions/providers.

Section 2.3 proposes that as part of developing “contingency plans” institutions should assess how providers of FMI access are likely to respond. We basically consider it prudent to take this element into account. Here, concrete scenarios are proposed on the basis of which such an assessment should be made. As part of resolution planning, however, various resolution scenarios will already be defined and developed. Against this background, we consider it prudent if the required analysis of the responses of FMI access providers – as the entire resolution strategy – is likewise based on these institution-specific resolution strategies. There should therefore be no requirement to consider generic strategies.
